



In Touch

With the Western Pennsylvania District Office

Spring 2003

Volume 6 Issue 1

A publication for small business resource partners in Western Pennsylvania

Western Pennsylvania Celebrates SBA's 50th Anniversary

The U.S. Small Business Administration, Western Pennsylvania District Office celebrated SBA's 50th Anniversary with Lenders, Small Businesses, Economic Development Organizations, Small Business Development Centers, SCORE Chapters, and several local media. The Western Pennsylvania Association of SBA Guaranteed Lenders (WPASGL) hosted the event at the Foundry Ale Works in Pittsburgh's Strip District on the evening of January 17, 2003. Over 180 guests attended the event to celebrate SBA's Anniversary.

To kick off the evening, a reception was held to allow guests to network prior to feasting on a dinner buffet. Following the dinner, SBA announced their accomplishments over the past fiscal year and WPASGL presented the district office with an award in honor of the hard work and dedication of the staff.

All of those in attendance had a wonderful time as there were lots to celebrate! The Western Pennsylvania District Office sincerely appreciates the fine job that WPASGL did in coordinating this occasion. **SBA**



Financing Solutions for Small Business Exporters

By Patrick Hayes
*Regional Export Finance Manager
Cleveland U.S. Export Assistance Center*

More than two-thirds of U.S. Exporters have fewer than 20 employees. Surprised? In fact, the number of Small and Medium Sized Enterprises that are exporting has risen 240% from 1987 to 1999. This growth in the number of small business exporters can be attributed to improved telecommunications, the ever-expanding Internet and NAFTA. Simply put, the world is becoming a much smaller place and small businesses have quickly taken advantage and made the world their market.

Yet, small businesses still face difficulty in obtaining financing to support their foreign sales activity. Has your company ever turned down an export sale due to a lack of working capital? Does your company need funding to support overseas market penetration strategies? Are you wondering how to fund a promising trade mission? The U.S. Small Business Administration (SBA) can help through its *Export Express* Loan program. Small businesses engaged in international trade have enough obstacles selling goods and services overseas that access to export financing should not be another hurdle. The SBA and its partners are committed to providing small business owners with access to the necessary capital to sell goods and services overseas.

The SBA *Export Express* Loan program is especially suited for companies who traditionally have had difficulty in obtaining adequate export financing, including wholesalers, trading companies, service firms and small manufacturers. The *Export Express* Loan program helps small businesses by guaranteeing a bank loan up to \$250,000. The program has flexible guidelines that allow loan proceeds to be used for most business purposes that will support export activity; including expansion, real estate acquisitions, equipment purchases, inventory, and working capital. The loan proceeds will enable a company to start, sustain or increase their export sales volume. Loan proceeds can be used by a business to cover the initial costs of entering an export market, to buy or produce goods, and/or to provide services, for export. Proceeds can also be used for other export activity such as: participation in overseas trade shows or trade missions, standby letters of credit, standard certifications (i.e. CE Mark & ISO 9000), and modifications to a company's website to accommodate export transactions.

Loan applicants must demonstrate that the loan proceeds will enable them to enter a new export market or expand an existing export market, and have been in business operation,

though not necessarily in exporting, for at least 12 months. SBA *Export Express* allows participating lenders to use their own loan review and approval procedures and still receive the guaranty of the SBA. The SBA performs an eligibility review and provides the lender with a quick response, typically within 24 hours.

The U.S. Export Assistance Center is a joint effort of the U.S. Department of Commerce, Export-Import Bank of the United States and the U.S. Small Business Administration. The SBA at the Cleveland Export Assistance Center serves small businesses throughout Ohio, Western New York and Western Pennsylvania. For more information about SBA export loan programs, contact Patrick Hayes at (216) 522-4731 or by e-mail at phayes@mail.doc.gov. **SBA**

Monthly Session held for Entrepreneurs Seeking Answers

*Need information on the SBA's guaranty loan programs?
Need assistance with a business plan?*

The SBA's Business Information Center will conduct an informational "round table" discussion on the last Friday of every month to answer questions on the SBA's guaranty loan program and the business plan process. This session is available for both existing and start-up businesses who want to learn more on how to obtain financing for their business venture.



The program starts at 8:30am and will continue until all the attendees' questions have been answered at the Business Information Center:

Western Pennsylvania Business Information Center
Riverside Center for Innovation
700 River Avenue
Pittsburgh, PA 15212
(412) 322-6441

For additional details and to RSVP for this complimentary program, contact Don Nemchick at (412) 322-6441 or by e-mail at wpbic@riversidecenterforinnovation.com. **SBA**

Quality Circle 2003

The annual Quality Circle, hosted by the Western Pennsylvania Association of SBA Guaranteed Lenders (WPASGL), was held at Seven Springs Mountain Resort on Thursday and Friday, March 13-14, 2003. Professionals in the banking industry, business consultants, attorneys, CPAs, and SBA staff members presented various topics of interest to the attendees including:

- ◆ SBA Lending 101
- ◆ SBA Lending 102
- ◆ Understanding the SBA 1502 Report
- ◆ SBA Loan Workout and Liquidation
- ◆ 504 From Beginning to End
- ◆ SBA Contract Lending: A Case Study
- ◆ Dealing with Distressed Companies Successfully
- ◆ Get Organized!
- ◆ Monitoring Construction Projects and Construction Financing
- ◆ Securing the Intangible “Stuff”
- ◆ What’s in a Tax Return?
- ◆ Taxing Technology – Electronic Tax Payment Options for Small Businesses
- ◆ Staying In “Formed” on SBA Applications
- ◆ Effective SBA Loan Closings and Documentation
- ◆ Lending to Day Care Centers and Home Based Businesses
- ◆ Lending to Startups

During a luncheon held for attendees on Thursday, Philip Yamalis of the IRS presented “Common Small Business Tax Scams” to increase the awareness of potential scams that may be encountered. In the registration room, resource partners displayed their wares and had the opportunity to network with the attendees.

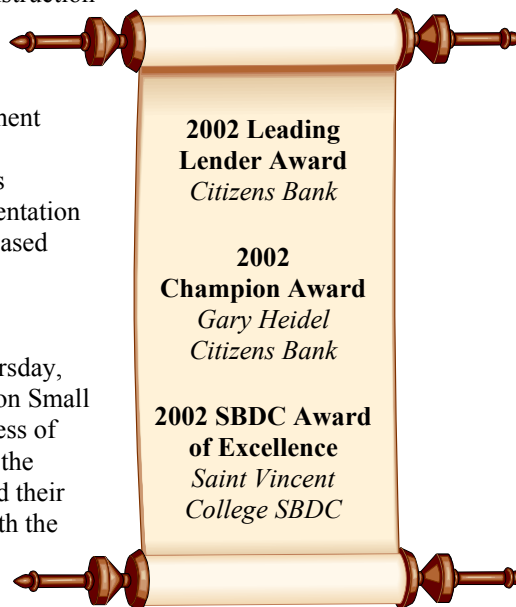
Participants had the opportunity to let their hair down after a long day of training sessions with a night of dancing, bowling, skiing, snow tubing, miniature golf, swimming, and roller-skating.

On Friday morning, attendees met with Allegra McCullough, Regional Administrator of SBA Region III, to hear about the latest developments at SBA. Additional breakout sessions were held Friday morning leading up to the Lunch & Lender Awards Program presented by WPASGL.

Gary Heidel of Citizens Bank garnered the 2002 Champion Award, presented by local SBA District Director Al Jones. Citizens Bank was selected as the 2002 Leading Lender for its record-breaking performance. The 2002 SBDC Award of Excellence was presented to Saint Vincent SBDC for leading the district in capital formation. **SBA**



Janice Spicher and Gary Heidel of Citizens Bank



Gary Heidel of Citizens Bank



James Kunkel of St. Vincent College SBDC receiving his award from WPASGL's President, Michele Bush.

Small Business Lending Conference



You Are Invited!

2003 SBA Small Business Awards Luncheon

*Sponsored by the Western Pennsylvania Small Business Network
Convened by the Pittsburgh Regional Alliance*

Friday, May 23, 2003

Westin Convention Center Pittsburgh

Trade Exhibit: 10:30 am

Registration and Cash Bar: 11:00 am

Awards Luncheon: 11:45 am

Award Recipients will be seated at the Head Table

Guest Speaker: Rocky Bleier, former Pittsburgh Steeler

Master of Ceremony: Bill Flanagan

Individual Seat(s) for the Luncheon @ \$30 per person
(\$35 after 05/7/03)

Table(s) of Ten for the Luncheon @ \$300 per table
(\$350 after 05/7/03)

"We would be delighted to have you join us at this important celebration to honor and recognize those who have the true entrepreneurial spirit and have contributed much to our small business community," said Al Jones, District Director of the Western Pennsylvania District Office. "This year's luncheon calls for a double celebration as SBA is celebrating its 50th Anniversary of providing service to entrepreneurs."

In addition to the SBA award recipients, Congressman Tim Murphy will receive SMC Business Council's Leo McDonough Distinguished Public Official Small Business Advocate Award.

If you are interested in attending this awards celebration luncheon, please contact Ms. Ellen Greek of the Pittsburgh Regional Alliance at (412) 392-4555, x4506 or by e-mail at ellen@pittsburghchamber.com.



The American Entrepreneur (TAE) is a two-hour radio show that airs weekly every Saturday morning from 8:00am to 10:00am on WPTT, 1360 AM on the dial.



Hosted by Ron Morris, TAE is the only radio talk show in Western Pennsylvania devoted exclusively to the subject of entrepreneurship.

The program delves into all aspects of the entrepreneurial experience and, as such, it attracts individuals and organizations similarly inclined.

"We talk about all things entrepreneurial," said Morris, himself an entrepreneur since 1972. "We encourage people to consider starting their own enterprises and we also talk a lot about what it's like to work in an entrepreneurial venture. Perhaps most importantly, we help entrepreneurs of all stages to become better at what they do. With eight start-ups under my belt and a very sharp listening audience, I like to think that there is no problem that we cannot at least help the listener with."

Morris, 53 has been "at it" for nearly thirty years. In that time, he has started or helped to start a number of prominent firms in the Western Pennsylvania area, including: IGATE Capital (formerly Mastech Corporation), Rapidigm (Formerly ComputerPeople), MestaMed, and JDWarren, Inc.

Listeners to TAE will find that Western Pennsylvania is replete with those who either already have, or are in process of having, their own enterprise. And, these people become callers to the show and their calls are ALWAYS interesting.

"Our callers run the gamut," says Morris, "I've had people call who are just beginning to investigate their markets and I've had people call who are selling out. Their problems are universal, though --- and they are always delighted to learn that there is someone out there who knows exactly what they are going through at that particular moment in time."

It is this "kinship" that probably differentiates TAE from other radio talk shows. "I've built companies with ZERO money and I've been associated with companies who have borrowed money," says Morris, "I've merged companies, I've sold companies, and I've even bankrupted a company" (My "greatest learning experience.").

"So, when you tell me about your business problem, it's a pretty sure thing that I've seen it at least once before ... this ain't textbook stuff ...this is 'real bullets,' real world stuff."

Help for Small Businesses Affected by Call-Up of Military Reservists

Small businesses with essential employees who are members of the Reserve or the National Guard are advised to have a plan in place to work through any potential disruption that may result from a broad call-up to active duty.

The SBA Office of Veterans Business Development has created a new web site where small business owners or small businesses with key employees who are members of the Reserve or National Guard can find relevant information. The first phase of the information web site, <http://www.sba.gov/reservists/>, is part of a comprehensive plan to provide members of the National Guard and Reserve who own or are an essential employee of a small business with timely information on all SBA programs and services available to them if and when they are called to active duty.

Through a vast array of programs and services, the U.S. Small Business Administration provides tools to assemble and enact a plan designed to prevent or reduce the potential disruption caused a business by the sudden absence of a key player. The SBA and its resource partners offer managerial, technical, and financial assistance, counseling and training to assist small business with any conceivable business-related issue, from how to market their products and services, to financial assistance, to what to do if called to active duty.

The following is a breakdown of assistance available for small businesses who find themselves faced with military call-ups:

Disaster Loans

SBA can offer a Military Reservist Economic Injury Disaster Loan for eligible small businesses suffering economic injury because an owner or an essential employee was called to active duty. Small businesses may apply for the loan after Reserve or National Guard members receive their orders for active duty. Loans of up to \$1.5 million are available at an interest rate not to exceed 4 percent. The loan application can be downloaded from the web site at www.sba.gov/disaster/mreidl.html.

Debt Relief

If a small business currently has an SBA direct or guaranteed loan, they can inquire about repayment deferrals, interest-rate reduction, and other assistance. To request help, the business should contact its lender or local SBA district office.

Business Counseling and Training

Through the local district office and SBA's resource partners (Small Business Development Centers and Service Corps of Retired Executives), entrepreneurs can receive business development assistance, counseling, and training to help their business while they or their employees are on active duty.

Basic 7(a) Loan Guaranty

This is the SBA's primary business loan program, designed to help qualified small businesses obtain financing when they might not be eligible for business loans through normal channels. As the most flexible of SBA's business loan program, financing can be guaranteed for most general business purposes.

For additional information on these programs or to learn more on other available programs, contact the district office at (412) 395-6560. **SBA**



SBA Lifts \$500,000 Loan Cap, Boosts Loan Volume to \$9.4 Billion

The U.S. Small Business Administration has lifted its temporary cap on SBA-backed loans and invited all participating lenders to resume submitting applications for guaranteed loans up to the \$2 million statutory limit.

The decision was made possible by President Bush's signing of the recently adopted legislation that allows the agency to implement its revised econometric subsidy model, which more accurately forecasts the actual costs of the 7(a) loan program. The model will be applied retroactively to the beginning of the current fiscal year.

The econometric model, in combination with appropriation levels provided in the FY 2003 budget, will allow the agency to approve more the \$9.4 billion 7(a) loans during the current year, plus \$1.8 billion in STAR loans that have already been made.

"We are happy to be able to help small businesses looking for access to capital, and we are proud to do our part helping them to create new jobs for Americans," said SBA Administrator Barreto. "The \$500,000 cap on our maximum loan size was a management tool we had to adopt to address the funding limitations placed on the agency in October while maintaining continued service to the maximum number of small businesses. We pledged a year ago to solve this problem in time for FY 2004, and we've done it," Barreto continued.

The decision to lift the loan cap is effective immediately. **SBA**



Upcoming Events

- May 7 & 8, 2003 – Pittsburgh Regional Minority Purchasing Council Reception and Trade Fair @ Heinz Field. Contact Nick Nichols at (412) 391-4423 for further information.
- May 23, 2003 – SBA Small Business Awards Luncheon @ Westin Convention Center, Pittsburgh. For further information, call Ellen Greek of the Pittsburgh Regional Alliance at (412) 392-4555, x4506.
- June 5, 2003 – St. Francis University Small Business Development Center Small Business Awards Program @ St. Francis University. Contact the SBDC at (814) 472-3200 for additional information.
- June 9-13, 2003 – Women's Economic Development Outreach Tour (WE DO). For further information, contact Linda Carey of the SBA at (412) 395-6560, x118. The following counties are scheduled:
Day 1-Westmoreland, Indiana, and Fayette Counties
Day 2-Allegheny, Beaver, and Butler Counties
Day 3-Washington and Greene Counties
Day 4-Lawrence, Mercer, and Venango Counties (morning); Clarion, Clearfield, Jefferson, Forest, Armstrong, and Elk Counties (afternoon)
Day 5-Erie, Crawford, and Warren Counties
- June 12, 2003 – Entrepreneur's Growth Conference @ Duquesne University, sponsored by

Duquesne University Small Business Development Center. Please call the SBDC at (412) 396-6233 to receive additional information.

- June 13, 2003 – Gannon University Small Business Development Center Small Business Awards Program @ Clarion Hotel. Call the SBDC at (814) 871-7232 to RSVP.
- The SBA's Business Information Center (BIC) on the North Side offers a variety of conferences to enlighten entrepreneurs who want to further develop or expand their businesses. For more details, call the BIC at (412) 322-6441.
- The U.S. Small Business Administration posts future programs and seminars, including the training sessions offered by the local SBDCs and SCORE Chapters, on the Calendar of Events site on its Home Page.

For

a schedule of upcoming local events, visit the SBA web site at www.sba.gov/calendar/states/pennsylvania.html.

- SBA 8(a) Application Seminar is held on the last Wednesday of each month. Minority business owners are strongly encouraged to attend as well as women-owned businesses and disabled business owners. Contact the 8(a) Business Development staff at SBA for further information.
- The Small Business Development Centers (SBDCs) have various educational programs for start-up and existing businesses. A listing of the local SBDCs can be found at www.sba.gov/pa/pitt/pittsbdc.html.
- The Service Corps of Retired Executives (SCORE) conducts Pre-Business Workshops for a nominal fee and offers counseling services at no cost to the small business owner. A listing of the local SCORE Chapters can be

found at

www.sba.gov/pa/pitt/pittscore.html.

In Touch

The Western Pennsylvania District Office would like you to keep in touch!

You can reach us at:

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If you are interested in contributing information for this newsletter, please contact us.



SBA Online:
www.sba.gov

SBA Western Pennsylvania District Office Online:
www.sba.gov/pa/pitt/

Staff Directory:
www.sba.gov/pa/pitt/directory.html

Duquesne University SBDC Wins NASBITE Award

The Center for International Regulatory Assistance (CITRA) at the Duquesne University-Chrysler Corporation Small Business Development Center (SBDC) was selected from a competitive list of nominees for the 2003 NASBITE Program Excellence Award. NASBITE is the North American Small Business International Trade Educators association for trade professionals from Canada, U.S., and Mexico. CITRA assists companies on how to comply with European trade regulations and CE Marking. The CE Marking is a mandatory legal requirement for products sold to or within Europe.

The CITRA program stood out from the many quality applications “in every regard: uniqueness, success in meeting clearly identified objectives, strength, and quality of the program, impact, benefits to program participants and strategic

alliances and partnerships formed” according to NASBITE officials.

CITRA is a program provided by the Duquesne University-Chrysler Corporation Small Business Development Center in partnership with the Duquesne University School of Business, and funded by the U.S. Department of Commerce, Market Development Cooperator Program (MDCP), and the Pennsylvania Department of Community and Economic Development, Office of International Business Development.

The award will be presented during the NASBITE conference in San Antonio, Texas during the week of April 13, 2003. Dr. Mary McKinney, Director of the Duquesne University Chrysler Corporation SBDC will be receiving the award. **SBA**

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